



FARM SERVICE AGENCY NEWS

JANUARY – MARCH 2006

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NON-INSURED DISASTER ASSISTANCE PROGRAM

*PRODUCERS MUST ENROLL THEIR
ANNUALLY PLANTED CROPS BY
MARCH 15, 2006*

Vegetable producers have until **March 15, 2006** to purchase coverage under the Non Insured Disaster Assistance Program (NAP) for their spring seeded crops.

NAP service fees are \$100 per crop, up to \$300 for all crops grown in the county. The fee cannot exceed a total of \$900 per producer with farming interest in multiple counties.

Producers whose gross income is less than \$20,000 can request a waiver of the fee. This coverage provides continuous coverage unless it is timely canceled by you or you fail to pay the service fee.

Production losses must be related to a natural disaster such as, but not limited to: drought, hail, excessive moisture, freezing conditions, excessive wind, hurricane or any combination of these weather problems. Quality problems resulting from adverse weather are available in some cases.

Producers are encouraged to enroll in "NAP" in order to protect their crops against catastrophic loss due to natural disasters. Enrollment is easy, just call the FSA Office prior to the sales closing deadline of **March 15, 2006**.

PRODUCERS MUST FILE THEIR 2005 CROP PRODUCTION RECORDS TO MAINTAIN THEIR ACTUAL PRODUCTION HISTORY

Producers who enrolled in the 2005 NAP Program must file their crop production records as soon as possible in order to establish OR maintain your Actual Production History (APH). The APH, at a minimum, is the 4 year average production for each insured crop. Producers who do not file their 2005 production will be assigned a "2005 zero yield" which will substantially lower your APH, and will negatively impact your future NAP benefits.

NAP MEETING REMINDER

Our first annual NAP Participant Meeting is scheduled for **Thursday, March 9, 2006** at 1:00 p.m. at the Bristol Office in the first floor cafeteria. Lunch will be provided. For more information (and to confirm attendance), please contact the Bristol Office at 508-669-6621.

Could a FSA Loan Help You?

Many local agricultural producers have stopped by the USDA Service Center recently for various reasons, and some growers expressed great concern over whether or not they'd be able to meet their financial obligations. Others expressed disappointment because they had put off the purchase of a much needed piece of equipment until this year, and it now looks like they'll have to forego it AGAIN. If you are one of these people or know of someone who may fit either of these categories, we, at Farm Service Agency, may be able to help.

The Farm Service Agency (FSA) makes and guarantees loans to family farmers to purchase farmland and/or finance agricultural production. These loan programs are designed to help farmers who are temporarily unable to obtain commercial credit. In some cases, loans are made to beginning farmers who have a net worth that is insufficient to qualify for commercial credit. In other cases, they are made to established farmers who have suffered financial setbacks or who have limited resources with which to maintain profitable farming operations.

Farm Ownership Loans

Farm Ownership Loans are available to eligible applicants for purposes such as purchasing farm real estate, enlarging an existing farm, constructing new farm buildings and/or improving structures or the environmental soundness of the farm. The maximum indebtedness for a direct Farm Ownership Loan is \$200,000 and the maximum repayment term is forty years. Interest rates for this type of loan are presently fixed at around 5%.

Farm Operating Loans

In general, these loan funds are used for customary annual farm operating expenses, for the purchase of machinery and equipment, for smaller real estate repairs, and/or to refinance short or intermediate debt. Direct loan funds in this category are also available up to a maximum indebtedness of \$200,000. The repayment period, however, varies, but does not typically exceed seven years for intermediate-term purposes. Annual Operating Loans, on the other hand, or those loans being made to finance annual operating expenses, are generally repaid within twelve months or when the commodities produced are sold. The interest rate on this type of loan is presently fixed at 4 7/8 %.

Loan funds are available now — applying early is important so that a loan can be processed and funded in a timely manner. If you have any questions or would like to apply for a loan, please call or stop by our office.

Emergency Loans

Farmers who suffered significant damage due to one of the weather events listed below may be eligible for low-interest emergency loans from the Farm Service Agency if they are unable to get financing from any other source. These loans carry an interest rate of 3.75 percent.

Production Losses: Eligible farmers can also use emergency loan funds to recover a portion of losses on growing crops that were destroyed.

Physical Losses: Eligible farmers can use emergency loan funds to repair or rebuild essential farm buildings, clean debris or prepare land for replanting, and to replace livestock, supplies and harvested crops on hand or in storage that were lost.

<u>Disaster Designation</u>	<u>Eligible Counties</u>	<u>Type of Disaster</u>	<u>Application Deadline</u>
M1614	Bristol, Norfolk	Severe Storms, Flooding	7/10/06
S2251	Bristol, Norfolk	Drought	10/10/06

Loans for Beginning and Socially Disadvantaged Farmers

The Farm Service Agency is authorized to assist beginning farmers and or socially disadvantaged farmers and ranchers to finance agricultural enterprises. Under these programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person whom:

- Has operated a farm for more than three years but not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Value-Added Producer Grants (VAPG)

The annual Notice of Solicitation of Applications (NOSA) for the 2006 Value-Added Producer Grants (VAPG) funding cycle was published in the Federal Register on December 21, 2005. Grants may be made to independent producers, farmer and ranch cooperatives, agricultural producer groups and majority-controlled producer-based business ventures for planning activities and working capital for marketing value-added agricultural products. Applications are being accepted until **March 31, 2006**.

For more information on the program, you may access the Rural Development website at www.rurdev.usda.gov, or contact Richard Burke in the Rural Development State Office at phone (413) 253-4319.



KEEP YOUR FARM RECORDS UP TO DATE

Conservation Compliance

If you can answer YES to any of the following questions, your USDA program eligibility may be in jeopardy:

- Do you intend to clear timber areas to create or to expand existing crop areas?
- Are you converting a pasture field into a crop field?
- Are there any areas on your farm(s) that you are considering cropping that have not been cropped in recent years?
- Is there a wet spot in a field that you want drain to make cropping easier?
- Are you disturbing a wildlife habitat area of any type?
- Are you doing anything different on your farm(s) this year?

These are Highly Erodible and Wetlands provision questions that need to be considered each year by producers to assure that they may remain eligible for USDA benefits. If you have any question or concern that something you plan to do on your farm could jeopardize your eligibility for benefits, please contact your NRCS representative before you begin work.

Reporting Changes to your Farming Entity

It is the producer's responsibility to notify the Farm Service Agency of any changes in his or her farming operation or entity status throughout the year. Changes that may affect a determination include a change in the size of the producer's farming operation by the addition or deletion of a farm; a change in the structure of the farming operation such as a partnership or corporation, including any change in the member's shares; a change in the contributions of farm inputs of capital, equipment, active personal labor, or active personal management; and a change of farming interest not previously disclosed on CCC-502 or update, including the farming interests of a spouse or minor child.

Have You Changed Your Bank Accounts?

As of Jan. 1, 1999, all Farm Service Agency payments are electronically transferred into your bank account. In order to make timely payments, you need to notify the office if you close your account or if another financial institution purchases your bank. Payments can be delayed if we are not aware of changes to your account and routing numbers.

Power of Attorney

If you're too busy getting work done around the farm to come into your local FSA office to conduct business and complete your paperwork, here's a solution. Retain an agent to act on your behalf for programs and transactions authorized under the 2002 Farm Bill and most other FSA administered programs. This can be done by completing an FSA-211, Power of Attorney. The form is available at your local USDA Service Center or on-line at <http://forms.sc.egov.usda.gov>. Forms obtained and completed outside USDA Service Centers offices must be notarize. To find out more, call the office.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

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Richard K. Pray Jr. - Chairman
Nancy Lawton - Vice Chairman
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